Navigating a Recall - Decision Making and Leading During a Crisis

and after!

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Chief Food Safety Officer,
Maple Leaf Foods

Reciprocal Meats Conference
Manhattan Kansas
June 20 - 21, 2011

Maple Leaf Foods Overview

Profile

- Based in Toronto
- Meat, Meals and Bakery company
- $5.2 billion (USD) in sales
- 58 manufacturing sites in Canada, US and UK
- 22,500 employees
- Leading market share in Canada in fresh and frozen bread, prepared meats, refrigerated pasta

Leading Portfolio Of Brands

Three Flagship National Brands

Schneiders

Maple Leaf

Dempster's

Leading Sub-Brands

Maple Leaf Prime

Olivieri

Tenderflake

Rothsay We Recycle

Villaggio Italian-Style-Italien

Ben's The Baker's Best

POM

New York Bakery Co

Wholesome Harvest The Goodness of Grains

Outline

- Food Safety criticality
- Maple Leaf recall“lessons learned”
- Company culture will determine food safety success

Fact -- Food Safety is a Global Problem

Worldwide

- 2 billion cases of food and water borne illness annually

Developing countries

- 1.8 million diarrheal disease deaths/year
- mainly infants & children

Industrialized countries

- Clinical food borne illness in up to 30% of population
- 20 deaths/million population associated with foodborne outbreaks

Canadian Context

- 11 - 12 million Canadians may contract foodborne illness annually, many illnesses go undetected
- Cost to Canadian economy est. >$5 billion annually
- Export markets depend on demonstration of safety in country

Increased Use of Technology

Dr. David Butler-Jones, Canada's first Chief Public Health Officer

"We were able to do this in this Listeriosis outbreak thanks to recent enhancements to our tracking and surveillance systems and to collaboration with our federal and provincial partners.

If this (Maple Leaf Listeria outbreak) had happened five years ago, we would've had real difficulty in establishing links as fast as we did -- if at all.

The technological advances we've made, the systems put in place, and the collaborations we've established since the Agency was created have made huge differences in our ability to share and compare data and to plan our responses"

Testimony at the Subcommittee on Food Safety, Ottawa, April 22, 2009

2008 Listeria Recall History

In August 2008 we initiated the largest recall in the company's history

- Three SKU's of deli products found contaminated with Listeria monocytogenes
  - 23 deaths; 53 cases of illness confirmed
- Products distributed to foodservice customers
- Plant closed and 191 products manufactured from Jan 2008 recalled

Food Safety Crisis

THE GLOBE AND MAIL
CANADA'S NATIONAL NEWSPAPER

FOOD SAFETY » LISTERIA MONOCYTOGENES

Nationwide outbreak spurs massive meat recall

Maple Leaf plant shut after bacterial illness kills one and sickens at least 16 others

BY MATTHEW CAMPBELL TORONTO

One person is dead and at least 16 more have been sickened by a nationwide outbreak of listeria infection that may have originated in a Toronto meat-processing plant.

Maple Leaf Foods Inc. announced yesterday the recall of more than 20 meat products and temporarily shut down the Toronto factory where they were packaged. *Listeria monocytogenes*, a relatively common food-borne bacterium that can cause serious illness in pregnant women and the elderly, has been found in three tests of products in the past five days.

Products affected include sliced meats served by McDonald's and Mr. Sub restaurants, as well as lines supplied to gro-

The symptoms

Listeriosis causes fever, chills, nausea, diarrhea, headache and aches and pains. The onset of illness after infection from the bacteria can be from 12 hours to three months. The median incubation period is estimated to be three weeks.

came to the attention of public-health officials in Ontario, British Columbia, Saskatchewan and Quebec. They asked the Canadian Food Inspection Agency to "follow the food," said Garfield Balsom, an agency spokesman.

An investigation by agency inspectors, including one stationed permanently at the

TORONTO STAR

Tainted meat toll grows

Six deaths are blamed on bacterial outbreak and health officials investigate six others

JOANNA SMITH
STAFF REPORTER

A dozen deaths are now linked to the outbreak of a bacterial infection that prompted a nationwide recall of ready-to-eat meat, the Public Health Agency of Canada said yesterday.

Eleven deaths took place in Ontario, including four in Greater Toronto.

Intense Media Spotlight

Media	First 10 days	First month
Print	408	1,011
Broadcast	1,959	3,198
Online	233	443

Maple Leaf Response

Demonstrate the highest level of responsibility possible

- Take accountability
- Put public health and consumer interests first
- Lead in open and fact based communication
- Implement decisive action plan

Maple Leaf Leadership Values

Do what's right

Deliver winning results

Build collaborative teams

Get things done
in a fact based, disciplined way

Learn and grow, inwardly and outwardly

Dare to be transparent,
passionate and humble

Take Accountability, Put Consumer First

The ultimate test of Corporate Values:

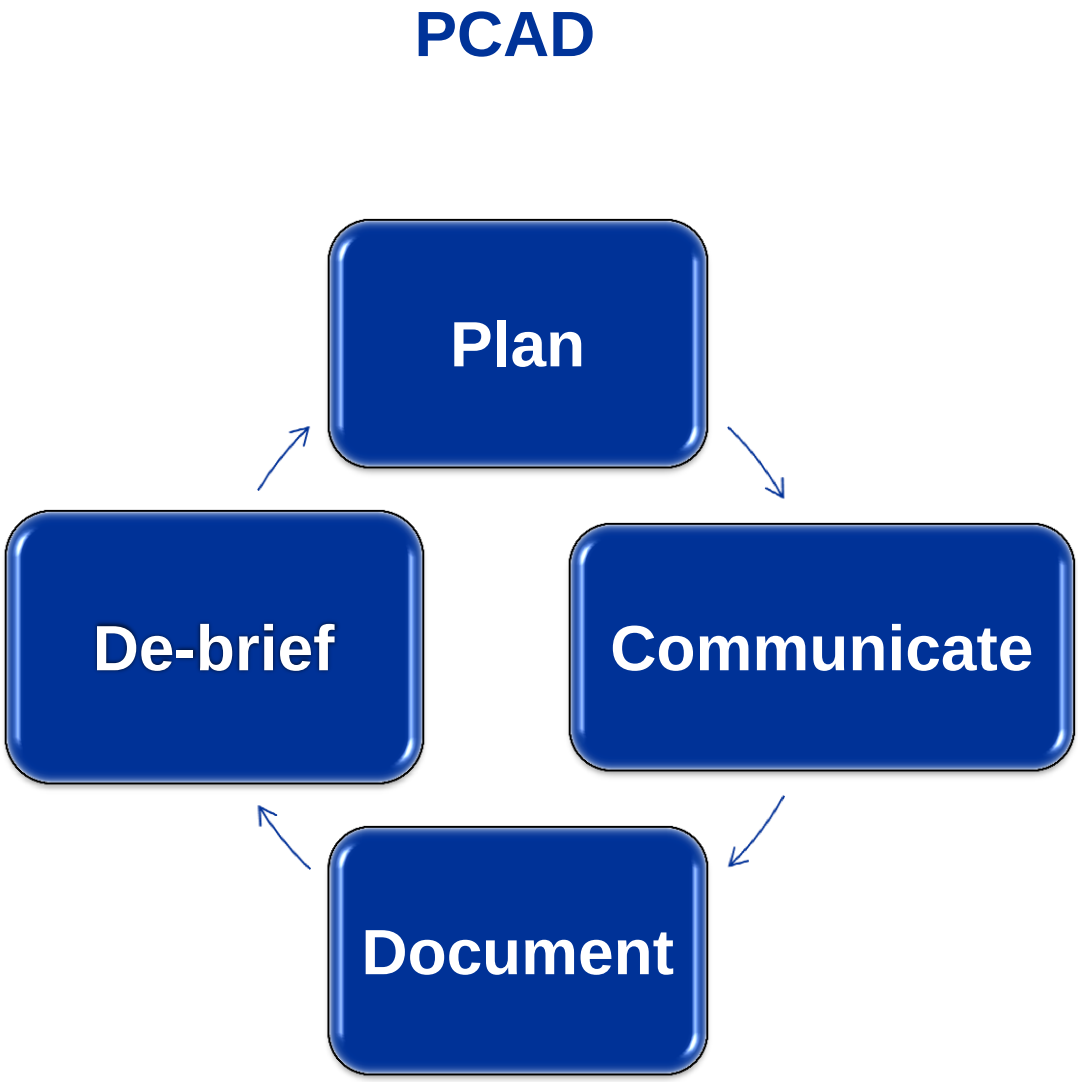
- "Do what's right"
- "Dare to be transparent"

Immediate public apology by CEO and commitment to fix the problem

Put consumer interests ahead of financial and legal interests

Implement Decisive Action Plan

- Be prepared for a crisis
- Don’t wait – anticipate a crisis will happen
- Recall / Crisis Preparedness Plan and mock simulations define roles, responsibilities, tools and actions
- Must be cross-functional
- Communicate internally
- Document everything
- Debrief and learn



Lessons Learned

- **Importance of accepting responsibility**
- **Leading with the facts and being transparent**
- **Have communication vehicles and advisors in place to leverage in times of crisis**
- **Use of social media and television**

Lessons Learned

- **Immediacy of communications**
- **Ensure bilingual capabilities**
- **Leverage external experts**
- **Establish an information support system**
- **Maintain communications momentum post-crisis**

Stages of the Crisis

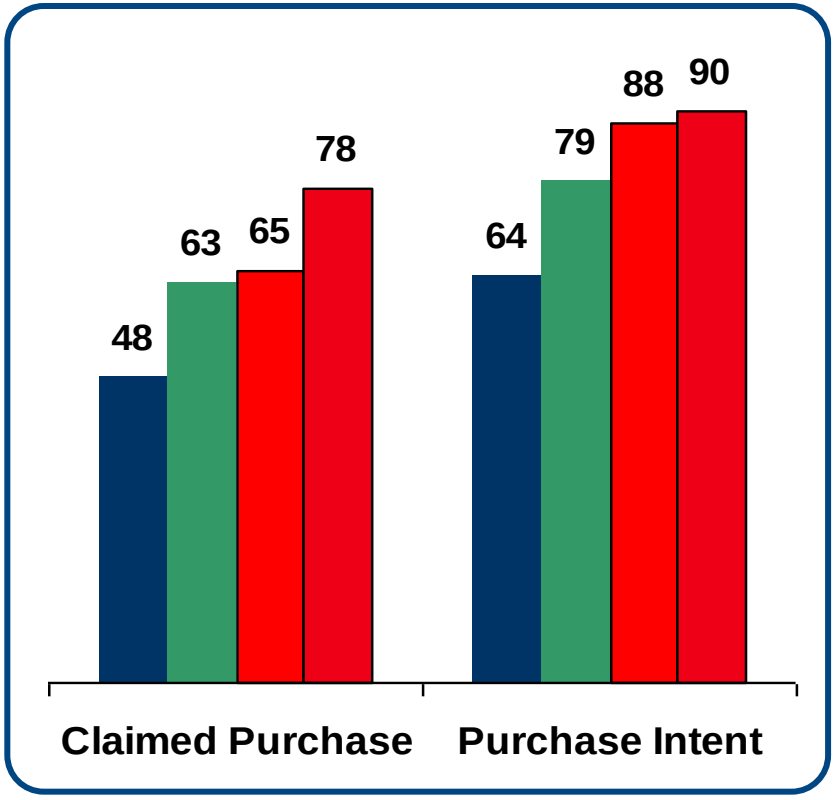
There are pivotal points in every crisis

you cannot rush recovery – it takes time!

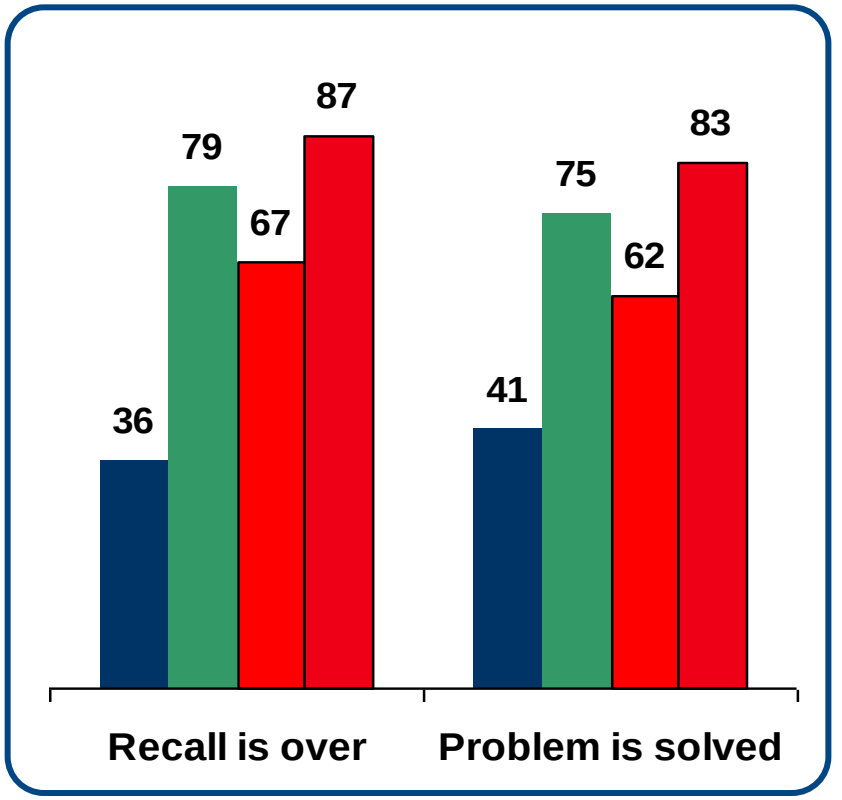
Confidence

Regaining Consumer Confidence

Claimed purchase and purchase intent are strengthening



Consumers increasingly believe that recall is over and problem is solved



9-Sep 7-Oct 30-Oct 1-Dec

Based on polling results of Maple Leaf brand users … last updated January 1, 2009

Action Plan – After the crisis

The Vision:

To always provide consumers safe, great tasting food produced in a safe environment

Commitment to Food Safety Expectations

"The 8:30 Call"

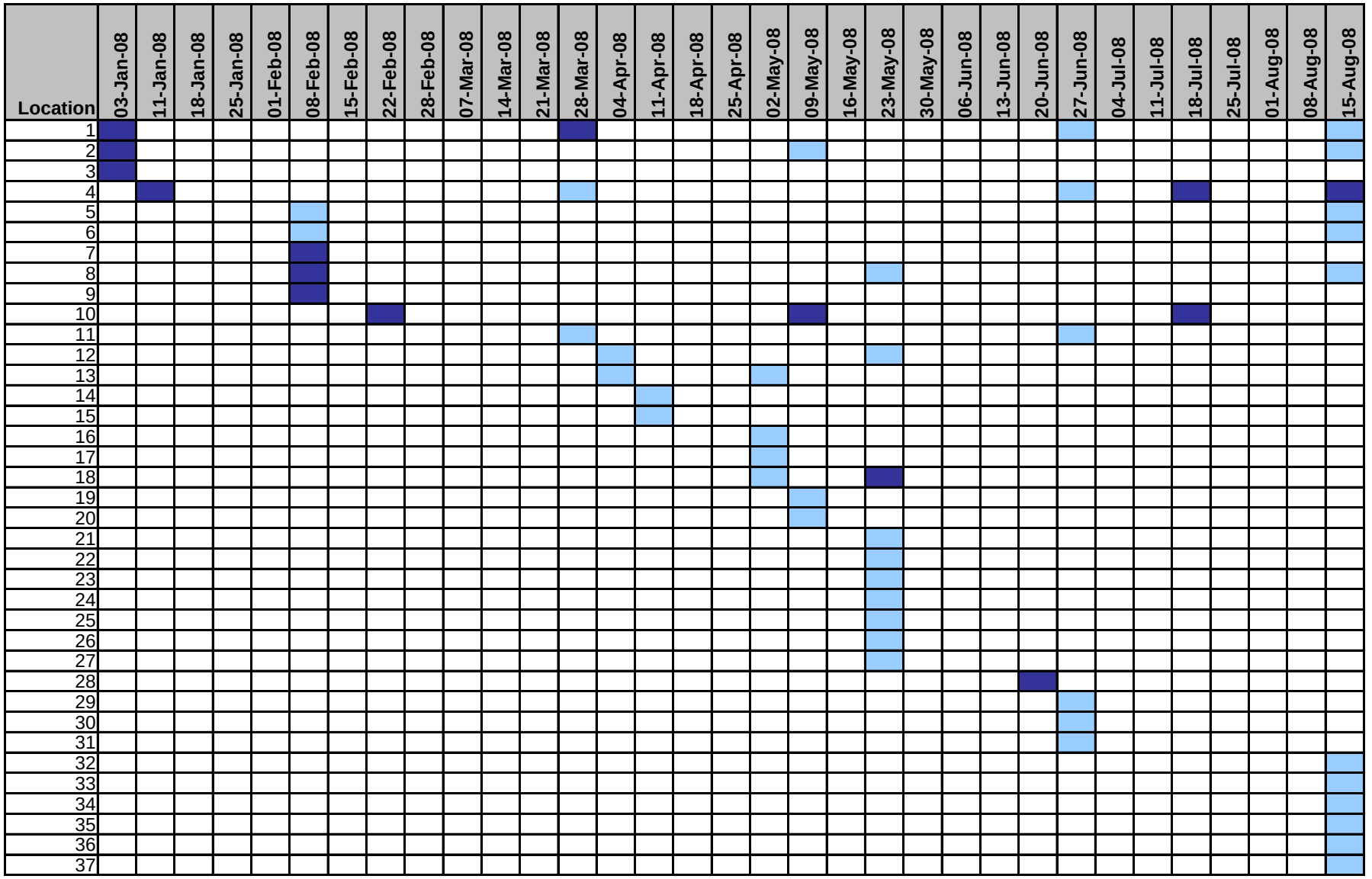
Commitment to Training

- **Have developed company-wide training course, for every level of company, from CEO to hourly employee on the line**
- **Using multiple tools to engage employee with consistent messages**
- **Food safety language is common, using the framework of Risk Analysis**
- **Invested in SISTEM to actively train and engage all hourly employees in food safety**

Commitment to Global Standards

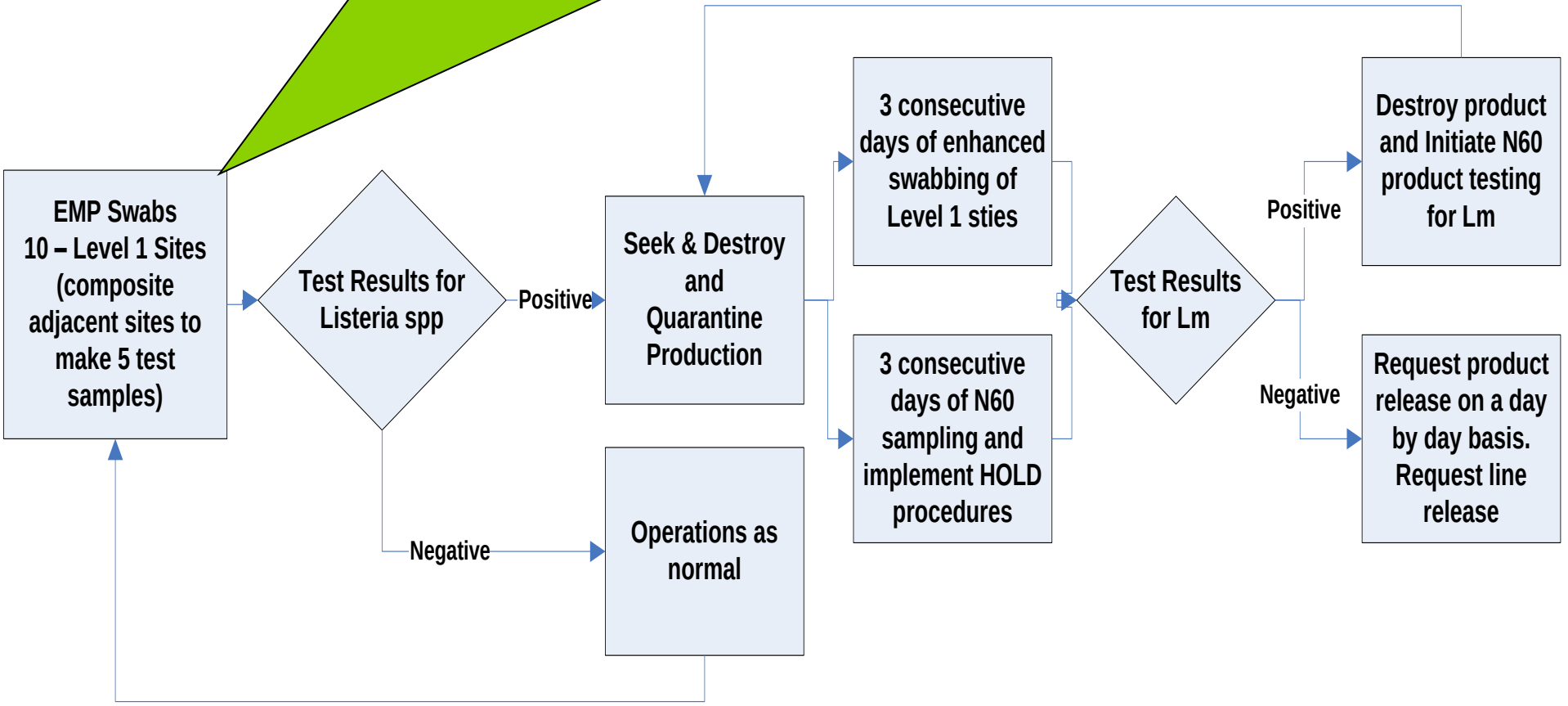
- **Committed to achieving certification to GFSI benchmarked standard in all facilities in 2011**
- **Committed to implementing standardized food safety and quality management systems across plant network**
- **Expecting all co-manufacturers and suppliers of critical materials to achieve GFSI benchmarked certification**
- **Increased commitment and investment in internal auditing programs**

Pattern Analysis Inadequate



Food Contact Surface Testing for Listeria - Process Flowchart

Every production line is tested **every week** on product contact surfaces (L1 sites) and non-product surfaces (L2-4 sites)



Listeria Control & Management

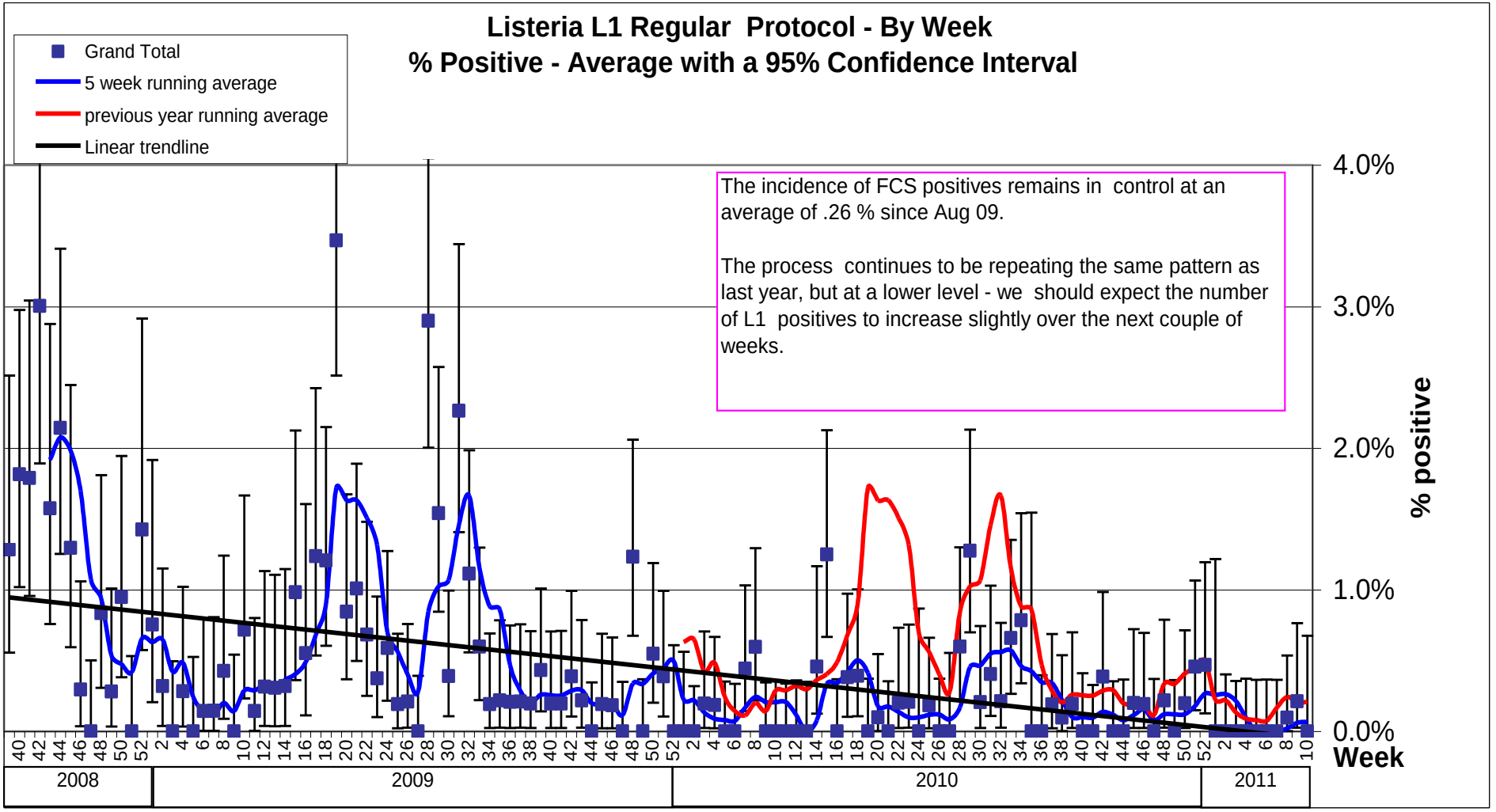
The keys to *Listeria* control in the food processing plant:

- **Aggressive environmental testing for Listeria – FIND IT!**
- **Aggressive corrective actions when positives detected – FIX IT!!**

Listeria Control Progress

Performance Trending - All plants **Report Date: 14-Mar-11**

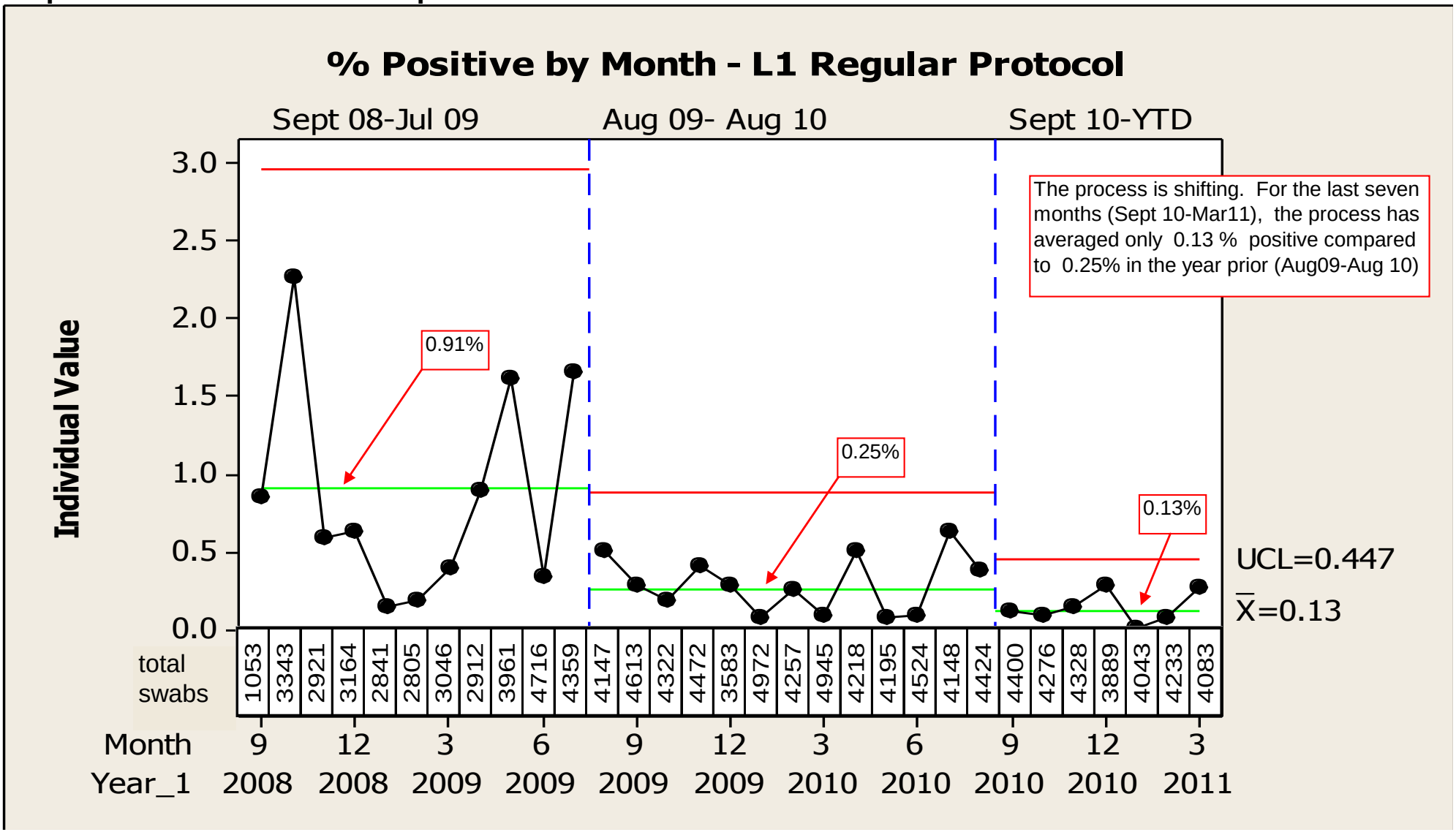
Report Period: Sep-08 to 7-Mar-11



Listeria Control Progress

Listeria EMP Long-Term Performance Trending - All plants **Report Date: 18-Apr-11**

Report Period: Sep-08 to 31-Mar-11



Summary of Listeria Control "Lessons Learned"

1. An aggressive environmental sampling program is the only way to provide data that allows process improvements to be made.
2. Listeria Sampling Programs should be designed to include food contact sampling on every RTE line every week.
3. **All** Positives must be investigated.
4. Growth niches can be identified and eliminated or managed.
5. Transfer points can be identified and their effect minimized with GMP's
6. Interventions are necessary for all equipment within the Cooked Product Area
7. Senior Management Commitment to the program

Maple Leaf Food Safety Commitment

- We commit to becoming a global leader in food safety and job safety, and providing the focus and resources needed to achieve this goal.
- We commit to establishing a culture of food safety and workplace safety with high performance teams, where people are encouraged and expected to act on any concerns they may have.
- We commit to measuring our safety performance, with testing and benchmarking against globally recognized standards.
- We commit to continuously seeking better ways to make safe food, and to make it safely.
- We commit to openly sharing our knowledge with government, industry, and consumers, so we can learn from them and they can learn from us.
- We commit to transparency and candour in pursuit of better performance and public confidence.
- We commit to behaving in the most responsible and transparent way possible, placing the safety of our people and our consumers first if there is ever a breach.

This is our Safety Promise.

Michael H. McCain
President and Chief Executive Officer
On Behalf Of All Maple Leaf Foods People

Summary

- **Food Safety Expectations on the Food Supply Chain are increasing**
- **Maple Leaf “Learned the hard way”**
- **Senior management commitment to Food Safety is imperative**
- **Company culture will determine food safety success**

Thank You!

Questions?